



HSC Pension Service

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**Business Services Organisation**

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# HSC PENSION SCHEME LIFE ASSURANCE AND FAMILY BENEFITS

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Any life assurance and family benefits payable, which are provided by the HSC Pension Scheme, are highly dependent on individual circumstances at the time of death. This guidance provides a general overview of the benefits payable under each section of the scheme, but we would strongly advise seeking further advice from HSC Pension Service for clarity around individual circumstances.

The benefits payable will depend on circumstances at the time of death.

## ELIGIBILITY FOR DEATH IN MEMBERSHIP BENEFITS

Individuals that are actively contributing to the HSC Pension Scheme are entitled to full death in pensionable membership benefits, including life assurance and family benefits. The scheme provides a lump sum and pension benefits to eligible dependants.

For individuals that have previously contributed to the scheme and have accrued benefits, but are no longer actively contributing (for example if they have opted out of the scheme), these benefits payable upon death may no longer be payable or, depending upon the circumstances, a lower amount may be payable.

Where a member is not able to contribute to the scheme because they have reached maximum service or the upper age limit, providing they remain employed until their date of death, the lump sum is based on pensionable pay ending on the date they last contributed.

## RETURNING STAFF

Staff returning to work in the HSC whilst receiving benefits from the 2008 Section or 2015 Scheme can re-join the scheme and should be auto-enrolled on their return to work. This is known as pensionable re-employment. Staff can opt out if they wish, but any benefits payable upon death would be affected.

Staff returning to work in the HSC whilst receiving benefits from the 1995 Section of the scheme cannot re-join the scheme. This would be non-pensionable re-employment in the context of the HSC Pension Scheme. Employers must provide an alternative pension arrangement in line with auto-enrolment legislation.

## LEVEL OF BENEFITS

Any benefits payable will depend on the circumstances at the time of death. The tables below detail the lump sum and family benefits that will be payable on death for each section of the scheme for:

- **Members in active membership** - this is where a member was working in pensionable HSC employment (before retirement) at the time of their death.
- **Members who have retired** - this is a member that has retired and is in receipt of their HSC pension benefits. Individuals that have retired and returned to non-pensionable HSC employment are also in this category.
- **Members in pensionable re-employment** – this is a member that has retired, is in receipt of their HSC pension benefits and has returned to pensionable HSC employment. The member's pension and their re-employed active service are both taken into account when calculating benefits payable on death.
- **Members with deferred pension benefits** - this is a member with two or more years' membership, who no longer pays into the scheme and chose to leave their benefits in the scheme. The benefits payable will be based on whether the member had retired on the date of death.
- **A recent leaver with less than two years' qualifying membership** - this is an individual who has died within 12 months of leaving the scheme, without becoming entitled to immediate payment of a pension, or did not build up enough pensionable membership to qualify for deferred pension benefits and has not been paid a refund or transfer value.

If staff are not members of the HSC Pension Scheme and have no accrued benefits or are not eligible to join the scheme (e.g. they are employed through a third-party), these benefits are not available.

## MEMBERS IN ACTIVE MEMBERSHIP

	Lump sum payable on death	Pension that would go to an adult dependant (providing that the member has at least two years' membership)	Pension that would go to an adult dependant (if the member has less than two years' membership)	Pension that would go to a child dependant
1995 Section	<p>2 x annual pensionable pay.</p> <p>Or</p> <p>Average uprated earnings for practitioners.</p>	<p>Either:</p> <p>50% of the notional tier 2 ill health pension if under age 60 at the date of death.</p> <p>Or</p> <p>50% of the notional age pension if over age 60 at the date of death.</p> <p>Either pension will be based only on membership from 6 April 1988 unless benefits are going to the widow of a male member.</p> <p>Plus a short term pension equal to the rate of pensionable pay for the first six months.</p>	<p>Before age 60:</p> <p>A short-term pension equal to the rate of pensionable pay for six months only.</p> <p>After age 60:</p> <p>A pension of 50% of the notional age pension plus a short-term pension equal to the rate of pensionable pay for the first six months.</p>	<p>25% of the notional tier 2 ill health pension for one child (50% shared equally for two or more children).</p> <p>A short-term pension equal to the rate of pensionable pay may be payable for three or six months.<sup>1</sup></p>

<p>2008 Section</p>	<p>2 x reckonable pay.</p> <p>Or</p> <p>Average uprated earnings for practitioners.</p>	<p>Either:</p> <p>37.5% of the notional tier 2 ill health pension if under age 65 at date of death.</p> <p>Or</p> <p>37.5% of the notional age pension if over age 65 at date of death.</p> <p>Plus a short term pension equal to the rate of pensionable pay for the first six months.</p>	<p>Before age 65:</p> <p>A short-term pension equal to the rate of pensionable pay for six months only.</p> <p>After age 65:</p> <p>A pension of 37.5% of the notional age pension plus a short-term pension equal to the rate of pensionable pay for the first six months.</p>	<p>18.75% of the notional tier 2 ill health pension for one child (37.5% shared equally for two or more children).</p> <p>A short-term pension equal to the rate of pensionable pay may be payable for the first three or six months. 1</p>
<p>2015 Scheme</p>	<p>The higher of:</p> <p>2 x earnings in the last 12 months of pensionable service.</p> <p>Or</p> <p>2 x revalued pensionable earnings for the Scheme year (up to 10 years earlier) with the highest revalued pensionable earnings.</p>	<p>Either:</p> <p>33.75% of the notional tier 2 ill health pension if under normal pension age at date of death.</p> <p>Or</p> <p>3.75% of the notional age pension if over normal pension age at date of death.</p> <p>Plus a short-term pension equal to the rate of pensionable earnings for six months.</p>	<p>Under normal pension age: a short-term pension equal to the rate of pensionable earnings for six months only.</p> <p>Over normal pension age: a pension of 33.75% of the notional age pension, plus a short-term pension equal to the rate of pensionable earnings for the first six months.</p>	<p>16.875% of the notional tier 2 ill health pension for one child (33.75% shared equally for two or more children).</p> <p>A short-term pension equal to the rate of pensionable earnings may be payable for the first three or six months.<sup>1</sup></p>

1 Short-term pensions will only be paid where the child is not dependent on a surviving adult who is entitled to a pension, or there is a surviving adult but no pension is payable, or there is no surviving adult. This initial pension is payable for three or six months depending on circumstances

## MEMBERS WHO HAVE RETIRED

	Lump sum payable on death	Pension that would go to an adult dependant (providing that the member has at least two years' membership)	Pension that would go to an adult dependant (if the member has less than two years' membership)	Pension that would go to a child dependant
<b>1995 Section</b>	<p>The least of: 5 x pension, minus any pension already paid</p> <p>Or</p> <p>2 x pay minus any retirement lump sum.</p>	<p>50% of the member's pension (based only on membership from 6 April 1988 unless benefits are going to the widow of a male member).</p> <p>Plus a short-term pension equal to the rate of the member's pension for the first three months (or six months if there is at least one eligible dependant child).</p>	Not applicable	<p>25% of the pension for one child (50% shared equally for two or more children).</p> <p>A short-term pension equal to the rate of pension may be payable for the first three or six months.<sup>1</sup></p>
<b>2008 Section</b>	<p>The least of: 5 x pension, minus any pension already paid.</p> <p>Or</p> <p>2 x reckonable pay minus any retirement lump sum taken.</p>	<p>37.5% of the member's pension in payment.</p> <p>Plus a short-term pension equal to the rate of the member's pension in payment for the first three months (or six months if there is at least one eligible dependant child)</p>	Not applicable	<p>18.75% of the pension in payment for one child (37.5% shared equally for two or more children).</p> <p>A short-term pension equal to the rate of pension may be payable for the first three or six months.<sup>1</sup></p>

2015 Scheme	<p>The lesser of:</p> <p>5 x annual pension amount, minus any pension already paid.</p> <p>Or</p> <p>2 x lump sum payable had they been an active member on the date of death, minus any lump sum already taken.</p>	<p>33.75% of the member's pension in payment.</p> <p>Plus a short-term pension equal to the rate of the member's pension in payment for the first three months (or six months if there is at least one eligible dependant child).</p>	Not applicable	<p>16.875% of the pension in payment for one child (33.75% shared equally for two or more children).</p> <p>A short-term pension equal to the rate of pension may be payable for the first three or six months.<sup>1</sup></p>
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<sup>1</sup> Short-term pensions will only be paid where the child is not dependent on a surviving adult who is entitled to a pension, or there is a surviving adult but no pension is payable, or there is no surviving adult. This initial pension is payable for three or six months depending on circumstances

## MEMBERS IN PENSIONABLE RE-EMPLOYMENT -

the sum of amount A (re-employed active service element) plus amount B (pensioner element)

	Lump sum payable on death	Pension that would go to an adult dependant (providing that the member has at least two years' membership)	Pension that would go to an adult dependant (if the member has less than two years' membership)	Pension that would go to a child dependant <sup>2</sup>
1995 Section	<p>Amount A Either: 5 x value of the annual age pension (if the member originally retired on ill health grounds on or after 1 April 2008 and the AW33 ill health retirement form was received before 1 April 2008).</p> <p>Or 5 x value of the Tier 2 ill health pension, (if the member originally retired on ill health grounds on or after 1 April 2008 and the AW33 ill health retirement form was not received before 1 April 2008</p> <p>PLUS</p> <p>Amount B The lesser of: 5 x annual ill health pension in payment minus the amount of pension already paid (excluding any additional pension).</p> <p>Or</p>	<p>Amount A 50% of the age pension the member would have received if they retired on the date of death.</p> <p>PLUS</p> <p>Amount B 50% of the deceased's pension in payment on the date of death.</p> <p>A short-term pension will also be payable for the first six months in respect of the active re-employment, PLUS for three months (six months if there is at least one eligible dependant child) in respect of the pensioner element.</p>	<p>Amount A 50% of the age pension the member would have received if they retired on the date of death.</p> <p>PLUS</p> <p>Amount B 50% of the deceased's pension in payment on the date of death.</p> <p>A short-term pension will also be payable for the first six months in respect of the active re-employment, PLUS for three months (six months if there is at least one eligible dependant child) in respect of the pensioner element.</p>	<p>Amount A 25% of the notional tier 2 ill health pension for one child (shared equally for two or more children).</p> <p>PLUS</p> <p>Amount B 25% of the member's pension for one child (50% shared equally for two or more children).</p>

	2 x actual pensionable pay at retirement minus total lump sum paid at retirement. <sup>3</sup>			
2008 Section	<p>Amount A Either: 5 x annual tier 2 ill health pension, excluding any additional pension, if the member dies below age 65.</p> <p>Or</p> <p>5 x annual age pension, excluding any additional pension, if the member dies aged 65 or over.</p> <p>PLUS</p> <p>Amount B The lesser of: 5 x annual pension minus the amount of pension already paid (both excluding additional pension).</p> <p>Or</p> <p>2 x actual reckonable pay at retirement minus any lump sum paid at retirement.<sup>3</sup></p>	<p>Amount A Either: 37.5% of the age pension if the member dies having reached age 65</p> <p>Or</p> <p>57.5% of the tier 2 ill health pension the member would have received on the date of death if the member dies before reaching age 65</p> <p>PLUS</p> <p>Amount B 37.5% of the deceased's pension in payment on the date of death.</p> <p>A short-term pension will also be payable for the first six months in respect of the active re-employment, PLUS for three months (six months if there is at least one eligible dependant child) in respect of the pensioner element.</p>	<p>Amount A Either: 37.5% of the age pension if the member dies having reached age 65.</p> <p>Or</p> <p>57.5% of the tier 2 ill health pension the member would have received on the date of death if the member dies before reaching age 65.</p> <p>PLUS</p> <p>Amount B 37.5% of the deceased's pension in payment on the date of death.</p> <p>A short-term pension will also be payable for the first six months in respect of the active re-employment, PLUS for three months (six months if there is at least one eligible dependant child) in respect of the pensioner element.</p>	<p>Amount A 18.75% of the notional tier 2 ill health pension for one child (37.5% shared equally for two or more children)</p> <p>PLUS</p> <p>Amount B 18.75% of the member's pension for one child (37.5% shared equally for two or more children).</p>



<p>2015 Scheme</p>	<p>Amount A Either: 5 x annual tier 2 ill health pension (if the member was under their normal pension age when they died).</p> <p>Or</p> <p>5 x annual age pension (if the member had already reached their normal pension age when they died).</p> <p>PLUS</p> <p>Amount B The lesser of: 5 x annual pension minus the amount of pension already paid (both excluding additional pension).</p> <p>Or</p> <p>The amount of lump sum on death that would have been payable had they died as an active member on the last day of pensionable employment, minus any pension commencement lump sum already paid.</p>	<p>Amount A Either: 33.75% of the age pension if the member dies having reached their normal pension age.</p> <p>Or</p> <p>33.75% of the tier 2 ill health pension the member would have received on the date of death if the member dies before reaching their normal pension age.</p> <p>PLUS</p> <p>Amount B 33.75% of the member's pension in payment on the date of death.</p> <p>A short-term pension will also be payable for the first six months in respect of the active re-employment, as well as for three months (six months if there is at least one eligible dependant child) in respect of the pensioner element.</p>	<p>Amount A Either: 33.75% of the age pension if the member dies having reached their normal pension age.</p> <p>Or</p> <p>33.75% of the tier 2 ill health pension the member would have received on the date of death if the member dies before reaching their normal pension age.</p> <p>PLUS</p> <p>Amount B 33.75% of the member's pension in payment on the date of death.</p> <p>A short-term pension will also be payable for the first six months in respect of the active re-employment, PLUS for three months (six months if there is at least one eligible dependant child) in respect of the pensioner element.</p>	<p>Amount A 16.875% of the notional tier 2 ill health pension for one child (33.75% shared equally for two or more children).</p> <p>PLUS</p> <p>Amount B 16.875% of the member's pension for one child (33.75% shared equally for two or more children).</p>
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2 These rules apply where the child was dependent on the member both at the time when the pensionable service on which the pension is based ended and at the time of death during re-employment.

3 If the pensioner was a practitioner, this is equal to 2 x average uprated (dynamised) practitioner pensionable pay.

## MEMBERS WITH DEFERRED PENSION BENEFITS

	Lump sum payable on death	Pension that would go to an adult dependant (providing that the member has at least two years' membership)	Pension that would go to an adult dependant (if the member has less than two years' membership)	Pension that would go to a child dependant
1995 Section	3 x pension payable if member had retired on date of death.	<p>Either:</p> <p>50% of the notional tier 2 ill health pension if date of death within 12 months of leaving.</p> <p>Or</p> <p>50% of the notional age pension if date of death is more than 12 months after leaving.</p> <p>Either pension will be based only on membership from 6 April 1988 unless benefits are going to the widow of a male member.</p> <p>No short-term pension is payable.</p>	Not applicable	<p>Either 25% of the notional tier 2 ill health pension if date of death within 12 months of leaving for one child (50% shared equally for two or more children).</p> <p>Or</p> <p>25% of the age pension where date of death is more than 12 months after leaving for one child (50% shared equally for two or more children).</p> <p>No short-term pension is payable.</p>

2008 Section	2.25 x annual pension the member would have received had they retired on the date of death. Assumes they did not take a lump sum.	Either:  37.5 % of the notional tier 2 ill health pension if date of death within 12 months of leaving.  Or  37.5% of the notional age pension if date of death more than 12 months after leaving.  No short-term pension is payable.	Not applicable	Either 18.75% of the notional tier 2 ill health pension if date of death within 12 months of leaving for one child (37.5% shared equally for two or more children).  Or  18.75% of the age pension where date of death is more than 12 months after leaving for one child (37.5% shared equally for two or more children).  No short-term pension is payable.
2015 Scheme	2.025 x the annual pension the member would have received had they retired on the date of death.	Either:  33.75% of the notional tier 2 ill health pension if date of death within 12 months of leaving.  Or  33.75% of the notional age pension if date of death more than 12 months after leaving.  No short-term pension is payable.	Not applicable	Either 16.875% of either the notional tier 2 ill health pension if date of death within 12 months of leaving for one child (33.75% shared equally for two or more children).  Or  16.875% of the age pension where date of death is more than 12 months after leaving for one child (33.75% shared equally for two or more children).  No short-term pension is payable.

## A RECENT LEAVER WITH LESS THAN TWO YEARS' QUALIFYING MEMBERSHIP

	Lump sum payable on death	Pension that would go to an adult dependant (providing that the member has at least two years' membership)	Pension that would go to an adult dependant (if the member has less than two years' membership)	Pension that would go to a child dependant
1995 Section	3 x annual pension the member would have received had they retired on the date of death.	Not applicable	Not applicable	25% of the notional tier 2 ill health pension if date of death within 12 months of leaving for one child (50% shared equally for two or more children).  No short-term pension payable.
2008 Section	2.25 x annual pension the member would have received had they retired on the date of death. Assumes they did not take a lump sum.	Not applicable	Not applicable	18.75% of the notional tier 2 ill health pension for one child (37.5 % shared equally for two or more children).  No short-term pension is payable.
2015 Scheme	2.025 x the annual pension the member would have received had they retired on the date of death.	Not applicable	Not applicable	16.875% of either the notional tier 2 ill health pension for one child (33.75% shared equally for two or more children).  No short-term pension is payable.

Further detailed information can be found in the member guides on the HSC Pension Service website for the [1995/2008 Sections](#) and the [2015 Scheme](#) and also in the [survivors guide](#).